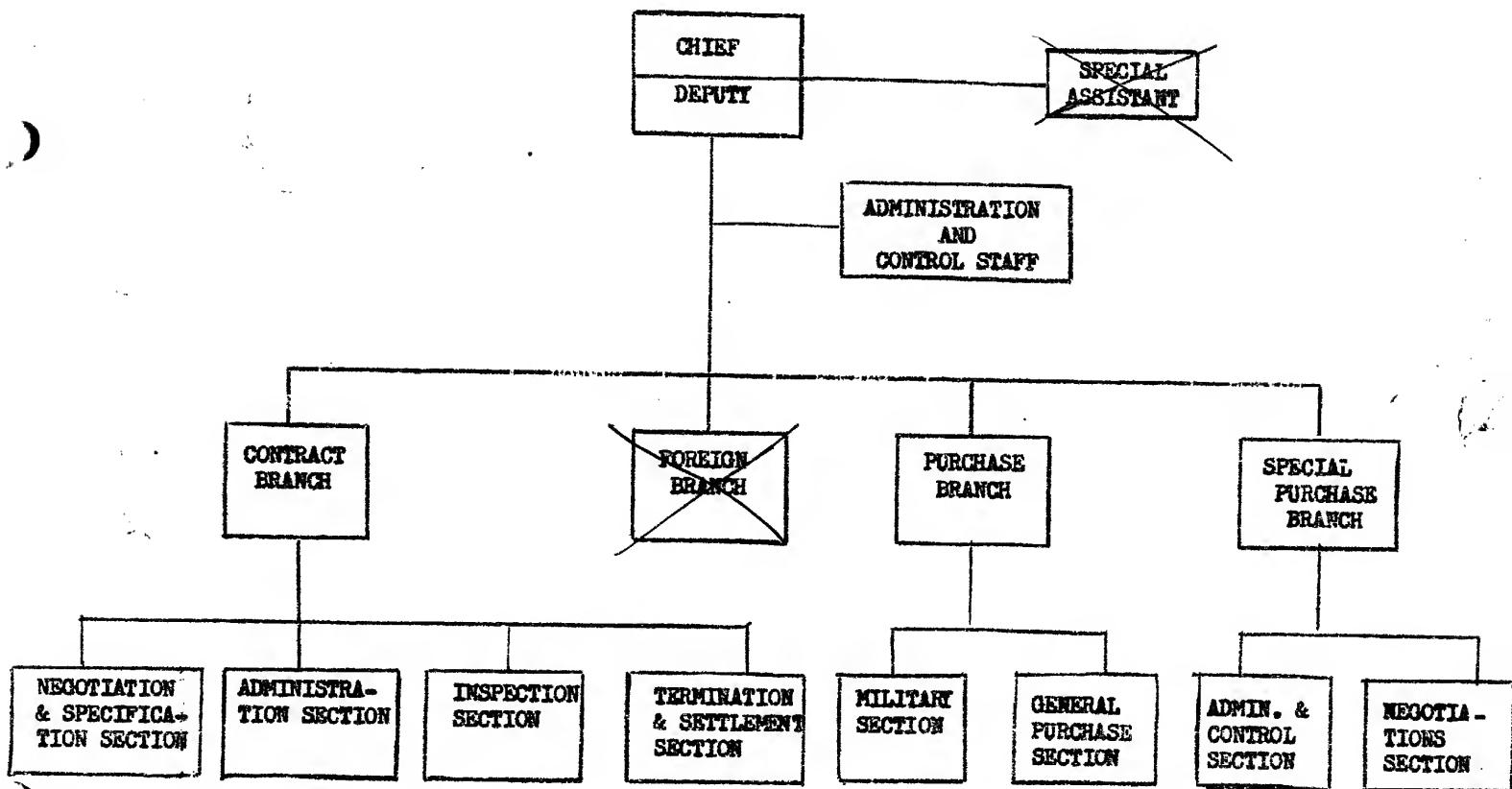


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PROCUREMENT DIVISION

LOGISTICS OFFICE

DISCUSSION

1. The March 1953 reorganization of the Procurement Division provided for a branch charged with inspection of contractors physical facilities and in-process inspection as well as centralized administration for contract, purchase order and other means of procurement. The proposed organization provides for more effective control of the receipt, distribution and internal control of all documents entering the division, thus divorcing this function from the function of administering contract amendments, extension of delivery dates, providing for proper clauses and other matters solely related to the administration of contracts per se. The function of inspection is provided for in an organizational arrangement which places it in more logical alignment with other contractual matters.
2. The proposed contract branch will centralize all functions of contract negotiation, product inspection and appraisal of contracts facilities, administration and termination and settlement. By establishing this span of control, one organization will be responsible for the entire contractual cycle from the development of sources until final completion of contract requirements including such matters subject to negotiation as may arise upon settlement proceedings.
3. The proposed foreign branch contemplates performing a function which has not previously been performed by the division. A separate element is proposed as
  - A. Foreign procurement requires specialized knowledges and skills such as comprehension of corporate foreign trade practices and international finance which are not normally a part of domestic procurement.
  - B. It is desirable to establish a group which will concern itself with the review of foreign procurement activities and to conduct field inspections and furnish technical guidance in the field.

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C. The proposed Purchase Branch will bring together the former Military Purchase Branch and the Purchase Order Branch under one supervisor. As both branches handle inter-departmental procurement it will be possible to bring together in one element the commercial, military and other government sources data and effect economies in purchase assignment.

JUSTIFICATION

The staffing proposed for the organization is based upon past experience, and current and anticipated workload. Based upon workload data (see next page) plus the additional consideration of staffing for performance of the foreign purchase function, increased inspection activity, and a backlog of termination and settlement case load, a Table of Organization of  positions is proposed. The present approved organization consists of  positions. 25X9  
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STATEMENT OF FUNCTIONS  
OFFICE OF THE CHIEF  
PROCUREMENT DIVISION

OFFICE OF THE CHIEF:

1. Plans, directs, reviews and coordinates all overt and covert procurement activities of the Agency from commercial sources, Department of Defense and other Governmental sources.
2. Acts in the capacity of Contracting Officer in accordance with delegation from the Chief of Logistics.

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3.

4.

5. Advises the Chief of Logistics on policies and procedures on logistical matters affecting procurement activity.
6. Provides administrative supervision in connection with personnel, budgetary, financial and security matters.

SPECIAL ASSISTANT

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STATEMENT OF FUNCTIONS  
ADMINISTRATION AND CONTROL STAFF  
PROCUREMENT DIVISION

ADMINISTRATION AND CONTROL STAFF:

1. Receives, records, and controls the distribution action and follow-up on requisitions and correspondence.
2. Receives and reviews weekly and monthly reports for the various Branches of the Procurement Division.
3. Maintains and analyses, as directed, statistical data for the entire Division and recommends administrative action as appropriate.
4. Follows-up on delivery of material from all sources (except covert) and coordinates with Supply Division on delivery dates and expedites delivery of material to meet established deadlines.
5. Maintains and initiates administrative action with respect to personnel, budgetary and financial matters, and acts as liaison to Administrative Staff of the Office of Logistics.
6. Maintains register of: (a) Debarred bidders from list furnished by other Departments and CIA (b) eligible bidders (c) cleared sources of supply and names of cleared personnel of contractors.
7. Reviews every procurement action to determine the prospective sources of supply are cleared and/or eligible contractors.

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**STATEMENT OF FUNCTIONS  
CONTRACT BRANCH  
PROCUREMENT DIVISION**

**CONTRACT BRANCH:**

1. Supervises and directs procurement action by contract and determines method of procurement.
2. Reviews and/or directs preparation of technical specifications as required.
3. Directs negotiations of contracts as to policy and method of negotiation, and supervises actual negotiations as required.
4. Acts as Contracting Officer in contracts involving \$50,000, or less and is principal reviewing officer in contracts exceeding that amount.
5. Supervises and directs administration of contracts and action in connection with patents, amendments to specifications, price and other contract provisions.
6. Supervises and directs the development of new sources of supply, the inspection of plant and technical facilities of prospective contractors and inspection during the process of production. Also is responsible for the inspection and acceptance of completed production prior to payment to contractors.
7. Directs and supervises as required, negotiations of settlements in connection with Cost-Plus-A-Fixed-Fee and Research and Development contracts and contracts subject to price redetermination, and arrives at final settlement amount.
8. In the event of dispute by contractor, prepares the Government's case and advises the Chief, Procurement Division and Chief of Logistics of facts in such cases together with recommendations.

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STATEMENT OF FUNCTIONS  
CONTRACT BRANCH  
PROCUREMENT DIVISION

CONTRACT BR. CONT.

ADMINISTRATION SECTION:

1. Administers contracts after negotiation and execution by the Government and the Contractor.
2. Assists the Contractor in obtaining scarce material needed for fulfillment of Agency contracts.
3. Takes appropriate action in connection with patents, royalties and copyrights to protect the Government's interest in the claims of royalty-free licenses and checks with the U.S. Patent Office on royalty claims made by contractors and subcontractors.
4. Receives correspondence from contractors requesting approval to: (a) subcontract (b) grant increases in bonuses (c) grant overtime (d) grant time extensions in contract performance.
5. Maintains statistical information on status of contracts and coordinates with the Termination and Settlement Section in the scheduling of audit action by the Industrial Audit Branch, Office of the Comptroller.
6. Maintains records on Government furnished property and property bought by the contractor at the Government's expense, by sale to the contractor or other appropriate disposition.
7. Prepares notification to the contractor and makes amendments to contracts as required in connection with: (a) Amendments to specifications (b) amendments to other contractual terms (c) recommends action where default contractors are involved.
8. Consults and assists the Termination Settlement section as required and appropriate in cases.

NEGOTIATION AND SPECIFICATION SECTION:

1. Reviews and/or prepares technical specifications as required.
2. Obtains precontract audit when necessary prior to contract negotiations.

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STATEMENT OF FUNCTIONS  
CONTRACT BRANCH  
PROCUREMENT DIVISION

NEGOT.& SPECI. CONT.

3. Supervises and directs the negotiation of Research and Development, Cost-Plus-A-Fixed-Fee, lump-sum, Fixed-Price and other contracts with commercial sources of supply on an overt and covert basis and indicates to the Administration Section action that will be required under the terms of each contract.
4. Prepares written contracts following negotiation and preparation of specifications, makes recommendations for award and transmits proposed contracts to contractors for signature and makes appropriate distribution of contracts as required.
5. Prepares and negotiates amendments to contracts involving major changes in specifications and price redetermination.

INSPECTION SECTION:

1. Develops new sources of supply involving inspection of contractors plant and facilities and the procurement of information of technical competence, reputation, financial reliability of prospective contractors. Obtains security clearance of new contractors upon making a determination that such contractors qualify for prospective sources of supply. Prepares reports containing pertinent information regarding prospective sources.
2. Upon completion of contracts, contacts office primarily interested to determine whether performance by contractors was satisfactory.
3. Inspects contractors progress and compliance with technical specifications during the course of manufacture.
4. Provides or obtains technical inspection of completed products prior to acceptance of payment.
5. Furnishes technical information and guidance in connection with settlement of contracts.

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STATEMENT OF FUNCTIONS  
CONTRACT BRANCH  
PROCUREMENT DIVISION

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TERMINATION AND SETTLEMENT SECTION:

1. Prepares notices of and directs the termination of contracts when required.
2. Obtains periodic and financial audits of contracts in accordance with contractual terms.
3. Confers with the Industrial Audit Branch in arriving at proposed settlement with contractor and prepares letter proposal when appropriate.
4. Establishes settlement meetings as required and obtains all technical, financial, and legal information required to effect final settlement. Advises Contracting Officer on items of disagreement and assists in the negotiation of final settlement.
5. Prepares final settlement of contracts and amendments as required for the Contracting Officer.

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STATEMENT OF FUNCTIONS  
PURCHASE BRANCH  
PROCUREMENT DIVISION

PURCHASE BRANCH:

1. Coordinates interdepartmental procurement from General Services Administration, Army, Navy and the Air Force and Bureau of Federal Prisons Industries, Inc., Government Printing Office, etc.
2. Determines method of procurement based on lowest net cost and earliest delivery time necessary to meet deadline requirements.
3. Acts as principal liaison officer to Government Agencies in connection with interdepartmental procurement.
4. Coordinates with Supply Division procurement action on a schedule basis for replenishment of stock items in order to maintain constant flow of requisitions.
5. Coordinates internally with Planning Staff and Transportation Division as to purchase of forecast of requirements and means of transportation to ultimate destination.

MILITARY SECTION:

1. Maintains liaison with Army, Navy, and Air Force.

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STATEMENT OF FUNCTIONS  
PURCHASE BRANCH  
PROCUREMENT DIVISION

PURCHASE BR. CONT.  
GENERAL PURCHASE SECTION:

1. Maintains liaison with General Services Administration, Federal Prison Industries, Inc., Government Printing Office and other Government agencies (except Department of Defense).
2. Procures material from contracts covered under the General Supply Schedule.
3. Procures material from other Government Agencies as required by law or as availability is determined (except Department of Defense).
4. Procures competition and determines awards for purchases under informal contracts to be made in the open market and not exceeding \$2,000.

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STATEMENT OF FUNCTIONS \*  
~~FOREIGN EXCHANGE~~  
PROCUREMENT DIVISION

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1.

2. Receives and analyses reports of purchases made in the field in the principal stations required to be on a reporting basis and makes recommendations accordingly.

3. Recommends policy and procedural changes for field procurement procedures and prepares appropriate regulatory directives.

4. Receives incoming cables and pouch requests for field procurement authority, obtains policy, legal and security clearance as required and prepares and coordinates reply as required.

5. Develops new sources and methods for procurement of foreign material to meet forecasted requirements.

6. Upon proper coordination and approval, travels to the field stations for purpose of inspecting procurement activities, performance of field procurement personnel and general field procurement requirements.

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